

Department of Social and Health Services

**DP Code/Title: M1-01 Mandatory Caseload Changes**

**Agency Wide**

There are 6 Programs in this DP

Budget Period: 2001-03    Version: 32    2001-03 Agency Request 2003 Sup

**Recommendation Summary Text:**

**Program(s): 010**

This decision package request reflects the October 2002 Caseload Forecast adopted by the Caseload Forecast Council (CFC) and the expenditure forecast projected by the Department of Social and Health Services Office of Forecasting and Policy Analysis for the Adoption and Foster Care programs provided by the Children's Administration (CA).

**Program(s): 030**

This item reflects the impact of changes in the Medicaid caseload forecast for Fiscal Year 2003. The number of Medicaid eligibles is the basis for funding levels to the Regional Support Networks (RSNs).

**Program(s): 040**

The October 2002 Medicaid Personal Care (MPC) Forecast indicates that the average caseload has decreased and the per capita expenditures has increased.

**Program(s): 050**

This decision package reflects the costs and savings associated with caseload changes in the October 2002 Forecast from the Department of Social and Health Services' (DSHS) Office of Forecast and Policy Analysis (OFPA), which is based on the official Caseload Forecast Council (CFC) October 2002 Forecast.

**Program(s): 060**

This item is an update to reflect the October 2002 forecast adopted by the Caseload Forecast Council (CFC) for the 2003 Supplemental Budget request for the Economic Services Administration (ESA). The dollars associated with each caseload have been adjusted to reflect the most recent forecast.

**Program(s): 080**

This is a request for additional funding to meet the projected expenditures resulting from changes in the Fiscal Year 2003 Medical Assistance Administration (MAA) maintenance level caseload.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	24,213,000	24,213,000
001-2 General Fund - Basic Account-Federal	0	(1,630,000)	(1,630,000)
001-7 General Fund - Basic Account-Private/Local	0	(2,763,000)	(2,763,000)
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	5,435,000	5,435,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	26,028,000	26,028,000
001-D General Fund - Basic Account-TANF (DSHS)	0	24,535,000	24,535,000
760-1 Health Services Account-State	0	(1,449,000)	(1,449,000)
<b>Total Cost</b>	<b>0</b>	<b>74,369,000</b>	<b>74,369,000</b>

**Staffing**

**Package Description:**

**Program(s): 010**

This request is based on historical expenditures and caseloads. The forecast for Adoption and Foster Care caseloads is updated, approved and adopted by the CFC. Once a forecast is developed, budgets for the affected caseloads are adjusted to reflect the new projections.

The Fiscal Year 2003 allotment for the Adoption program exceeds the forecasted expenditure level. This request reduces the Fiscal Year 2003 allotment to reflect the October 2002 Forecast.

Expenditure levels for Foster Care are forecasted to increase 4.7 percent, including a 1.5 percent vendor rate increase, over

Department of Social and Health Services

**DP Code/Title: M1-01 Mandatory Caseload Changes**

**Agency Wide**

There are 6 Programs in this DP

---

Budget Period: 2001-03      Version: 32      2001-03 Agency Request 2003 Sup

---

the current allotment for Fiscal Year 2003. This requests adjusts the Foster Care budget to align with the October 2002 Forecasted level of expenditures.

Funding the forecasted need for Foster Care ensures that children who are in need of protection will continue to be assisted temporarily and permanently through Washington State's child welfare system.

**Program(s): 030**

Funding for mental health services for low-income individuals is allocated through a per capita payment from the state to the RSNs. Adjustments to the caseload forecast for Medicaid eligibles result in changes to the level of funding provided for community mental health programs administered by the RSNs. This item requests funding related to the change in forecasted Medicaid eligibles for Fiscal Year 2003.

**Program(s): 040**

MPC is a legislatively authorized Medicaid State Plan service that provides assistance to individuals needing help with activities of daily living, such as eating, toileting, ambulation, positioning, dressing, bathing, essential shopping, meal preparation, laundry, housework, and supervision. It is an entitlement for every individual who meets the Medicaid financial and program eligibility criteria.

The October 2002 MPC Forecast indicates that the average caseload for children and adults has decreased by 2.5 percent and the per capita expenditures have increased by 2.2 percent.

**Program(s): 050**

This decision package reflects the costs and savings associated with changes in the number of clients who are expected to utilize the major services provided by Washington State's Long-Term Care (LTC) programs. It is based on the October 2002 CFC caseload forecasts for Nursing Homes and Home and Community Services programs.

	FY03
Nursing Facilities	12,901
In-Home Services	25,181
Adult Family Homes	3,294
Adult Residential Care	1,422
Assisted Living	3,921

Also included are caseload changes for Adult Day Health and Private Duty Nursing using forecasts developed by OFPA.

**Program(s): 060**

ESA provides work-related services, child support services, financial, food, and other assistance to eligible clients. This request reflects the changes associated with the Department of Social and Health Services (DSHS) Office of Forecasting and Policy Analysis (OFPA), Office of Financial Management (OFM), and the CFC caseload projections for ESA. This updated forecast for ESA programs includes caseload and cost estimates for: Working Connections Child Care (WCCC), Temporary Assistance to Needy Families (TANF), Child Support Recoveries, General Assistance (GA), Diversion Cash Assistance (DCA), Refugee Cash Assistance (RCA) and Consolidated Emergency Assistance Program (CEAP).

WCCC - This program provides subsidized child care for families up to 200 percent of the Federal Poverty Level (FPL) regardless of their participation in a grant program. This request is based on the OFM rate of change model resulting in the need for approximately \$22.6 million for Fiscal Year 2003.

GA - This program provides cash assistance for low-income adults who are unemployable based on a medical impairment and/or applying, and appear to be eligible, for federal Supplemental Security Income (SSI) benefits. The adjusted need is approximately \$6.7 million for Fiscal Year 2003.

TANF Assistance - This caseload trend has leveled off from significant decreases between Fiscal Years 1997 through 2002. The adjusted need is approximately \$1.2 million in Fiscal Year 2003.

Department of Social and Health Services

**DP Code/Title: M1-01 Mandatory Caseload Changes**

**Agency Wide**

There are 6 Programs in this DP

---

Budget Period: 2001-03    Version: 32    2001-03 Agency Request 2003 Sup

---

Child Support Recoveries - DCS provides collection services to custodial parents regardless of their participation in a grant program. Collections for families on assistance are retained by the state and shared with the federal government to offset the costs of the TANF grant. Beginning October 1, 2000, federal regulations required DCS to change distribution of arrears payments on current and former TANF cases to provide increased child support to families. The money owed to the state has declined 23.8 percent from January 2000 to August 2002. This is a direct reduction in the pool of money that can be retained by the state. Due to significant decreases in assistance caseloads and changes in federal regulations, collections are estimated to decrease. This request requires an additional \$9.8 million in the Fiscal Year 2003.

DCA - This program provides a once in a 12-month payment (up to \$1500), to overcome a temporary emergency. The dollar adjustment associated with this caseload is estimated to be \$725,000 in Fiscal Year 2003.

The CEAP dollar adjustments associated with this request is estimated to be \$174,000 for the Fiscal Year 2003.

**Program(s): 080**

This decision package includes increased funding for MAA medical services related to changes in the number of eligible persons. The amounts shown are based on FY 2003 budgeted per capita costs for each eligibility category. The difference between the number of eligible persons forecasted in February 2002 and June 2002 was calculated for each month and for each eligibility category. The resulting differences were multiplied by Fiscal Year 2003 monthly per capita costs by fund source to provide an estimate of the increase (or decrease) in costs related to these caseload changes.

As the "Family Planning Only" eligibility category was added in the June 2002 caseload forecast and no previous caseload estimate for this population exists, all of the forecasted increases in family planning expenditures have been attributed to utilization.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

**Program(s): 010**

Funding for the forecasted need for Adoption and Foster Care supports the CA's goals of child safety, child and family well-being, and permanency for children in out-of-home care. The CA is committed to protecting children from abuse and neglect, improving the well-being of children in out-of-home care by providing adequate services to meet their needs, and providing stable, nurturing, and permanent placements as quickly as possible for children in out-of-home care.

**Program(s): 040**

The Developmental Disabilities Services (DDS) will develop and improve partnerships with families and communities, moving toward increased opportunities for individual self-determination.

**Program(s): 050**

Caseload changes reflect the administration's goals to "Provide Public Value" by strengthening LTC information and assistance efforts; "Address Client and Family Needs" by facilitating upgrades to community-residential care models to enhance quality and accountability; and strengthening the home care program, including strategies to improve the LTC home care workforce. Caseload changes also reflect the administration's goal of "Budget Performance and Economic Value" by managing access to Medicaid long-term care benefits and reducing unnecessary nursing facility capacity and Medicaid nursing facility caseload.

The forecasted caseload changes indicates a decrease in nursing home beds. This and other forecast driven caseload changes reflect the agency balanced scorecard goals of ensuring a safety net is in place for people of need, clients maintain maximum independence, services are of high quality, people participate in choices about their services, and clients experience stability.

The Governor's goals to achieve high performance government, improve quality and customer service, and to increase the safety and security of Washington State residents are also supported.

Department of Social and Health Services

**DP Code/Title: M1-01 Mandatory Caseload Changes**

**Agency Wide**

There are 6 Programs in this DP

Budget Period: 2001-03 Version: 32 2001-03 Agency Request 2003 Sup

**Program(s): 060**

Maintain a safety net for people in poverty by providing the highest quality public assistance and child support services.

**Program(s): 080**

This step contributes to the agency's strategic plan by assuring that MAA clients have access to quality health care.

*Performance Measure Detail*

**Program: 010**

**Goal: 03A Provide stable and permanent placements for children**

Incremental Changes

FY 1

FY 2

No measures submitted for package

**Program: 030**

**Goal: 09C Optimize services within resources**

Incremental Changes

FY 1

FY 2

No measures submitted for package

**Program: 040**

**Goal: 03D Design/maintain system of residential supports and services**

Incremental Changes

FY 1

FY 2

**Output Measures**

3DA Provide personal care services to those individuals eligible for the State Plan as forecasted by the Caseload Forecast Council

-275

**Program: 050**

**Goal: 01E Ensure access to an array of optional long-term care services**

Incremental Changes

FY 1

FY 2

No measures submitted for package

**Goal: 02E Address Client and Family Needs**

Incremental Changes

FY 1

FY 2

No measures submitted for package

**Goal: 03E Budget Performance and Economic Value**

Incremental Changes

FY 1

FY 2

No measures submitted for package

**Goal: 05E Provide Public Value**

Incremental Changes

FY 1

FY 2

No measures submitted for package

**Program: 060**

**Goal: 02F Maintain safety net for people in need.**

Incremental Changes

FY 1

FY 2

No measures submitted for package

**Program: 080**

**Goal: 10H Assure access to high quality health care**

Incremental Changes

FY 1

FY 2

No measures submitted for package

*Reason for change:*

**Program(s): 010**

The budgets for Foster Care and Adoption services are updated to reflect the October 2002 Forecast.

Department of Social and Health Services

**DP Code/Title: M1-01 Mandatory Caseload Changes**

**Agency Wide**

There are 6 Programs in this DP

---

Budget Period: 2001-03    Version: 32    2001-03 Agency Request 2003 Sup

---

**Program(s): 030**

This change funds RSNs according to the authorized model. As the number of eligibles changes, funding levels change accordingly.

**Program(s): 040**

The Caseload Forecast Council (CFC) has estimated that the number of children and adults being served by MPC will decrease in Fiscal Year 2003.

**Program(s): 050**

The expenditures presented in this decision package reflect the most current caseload forecasts for Long-Term Care programs.

**Program(s): 060**

The adjustments for each caseload reflect forecasted changes in the number of cases for which grants must be provided. The changes associated with each caseload do not reflect any change in the type or level of service provided by ESA.

**Program(s): 080**

The forecasted changes in the MAA caseload result in a need for increased funding to maintain health services coverage at current levels for additional MAA clients in Fiscal Year 2003.

***Impact on clients and services:***

**Program(s): 010**

This item will allow CA to provide a continuous level of service based on caseload projections updated annually.

**Program(s): 030**

This funding will allow the RSNs to continue providing the current level of services.

**Program(s): 040**

This step reflects the costs associated with providing services to the number of clients eligible under current law for the DDS MPC program.

**Program(s): 050**

This step reflects the costs associated with providing services to the number of clients eligible under current law for AASA's programs.

**Program(s): 060**

By ensuring that adequate funding is available for the changing caseloads, the department will be able to provide grants to those who meet current program requirements.

**Program(s): 080**

This step includes funding projected as necessary to maintain existing services in the amount, duration, and scope as are available to persons who are currently eligible for medical assistance and for the additional persons who will become eligible for MAA during the remainder of the current fiscal year.

***Impact on other state programs:***

**Program(s): 010    030    040    050    060**

None

**Program(s): 080**

Funding in this step directly affects clients of virtually all other DSHS programs. MAA is obligated to pay the costs of certain necessary medical services for eligible MAA clients served by the Aging and Adult Services Administration, for medical assistance-eligible children served by the Children's Administration, and for eligible Health and Rehabilitative Services Administration clients. Basic medical care services for eligible Department of Social and Health Services (DSHS) populations are the responsibility of MAA. As stated above, the funding sought in this step will assure that these populations and persons who are solely MAA-eligible clients, will have access to medical services of the amount, duration, and scope currently defined in the DSHS State Plan for Medical Assistance.

***Relationship to capital budget:***

Department of Social and Health Services

**DP Code/Title: M1-01 Mandatory Caseload Changes**

**Agency Wide**

There are 6 Programs in this DP

---

Budget Period: 2001-03      Version: 32      2001-03 Agency Request 2003 Sup

---

**Program(s): 010    030    040    050    060    080**

None

***Required changes to existing RCW, WAC, contract, or plan:***

**Program(s): 010**

No revisions needed if funding is approved. Numerous RCW, WAC, and State Plan revisions would be required if the funding in this step is not approved.

**Program(s): 030**

No revisions are needed if funding is approved. It is likely that numerous RCW, WAC, and State Plan revisions would be required if funding for this step is not approved.

**Program(s): 040**

None

**Program(s): 050**

No revisions needed if funding is approved.

**Program(s): 060**

None

**Program(s): 080**

No revisions are needed if funding is approved. Numerous RCW, WAC, and State Plan revisions would be required if funding in this step is not approved.

***Alternatives explored by agency:***

**Program(s): 010**

Federal law requires that states provide child welfare services to children through the age of 18. The forecasted need requires funding in order to operate a child welfare program at the same level that is currently provided for Washington State residents.

**Program(s): 030    040**

None

**Program(s): 050**

Alternatives have been explored in the past and the caseload driven forecast method has been determined as the most appropriate for providing the balance of service and funding requirements.

**Program(s): 060**

Not applicable

**Program(s): 080**

The MAA caseload, with the exception of the State Children's Health Insurance Program (SCHIP) is considered an entitlement, thus no alternatives were explored for the non-SCHIP projected caseload growth. If the Legislature limits SCHIP funding, MAA would impose enrollment caps on the program.

***Budget impacts in future biennia:***

**Program(s): 010**

The Adoption Support and Foster Care budgets are reforecasted each year.

**Program(s): 030**

Costs associated with the caseload in future biennia will be determined by future caseload forecasts.

**Program(s): 040**

The October 2002 Forecast shows both children and adult caseloads are on the decline. The decline is due to a decreasing number of adult individual providers and the limit on the number of children that can be added to the waiver. However, based on the current forecast, both adult and children caseloads are expected to increase during the 2003-2005 Biennium.

**Program(s): 050**

Future biennia budget impacts will be driven by caseload trends. Caseload levels experienced in Fiscal Year 2003 can be expected to carry forward into future biennia.

Department of Social and Health Services

**DP Code/Title: M1-01 Mandatory Caseload Changes**

**Agency Wide**

There are 6 Programs in this DP

---

Budget Period: 2001-03    Version: 32    2001-03 Agency Request 2003 Sup

---

**Program(s): 060**

Costs associated with the caseload in future biennia will be determined by future caseload projections.

**Program(s): 080**

This caseload is forecasted every budget cycle. The estimated minimum size of future budgetary impacts would include the second year's funding as adjusted by any subsequent forecast.

***Distinction between one-time and ongoing costs:***

**Program(s): 010**

All costs are ongoing.

**Program(s): 030**

Costs in this package are ongoing.

**Program(s): 040**

Costs are ongoing.

**Program(s): 050    060**

The forecasted caseloads will have ongoing costs in future biennia.

**Program(s): 080**

Costs in this package are ongoing.

***Effects of non-funding:***

**Program(s): 010**

Fewer children requiring the state's protection and care would receive services.

**Program(s): 030**

If this item is not funded, there may be adverse affects to mentally ill clients who do not receive the services they need. Some impacts could include more costly consequences, such as expensive state hospital services, court-ordered treatments, and increased demand on the Department of Corrections system.

**Program(s): 040**

Not applicable

**Program(s): 050**

Changes in eligibility would be required if funding is not available for increased caseload census.

These changes would mean that clients currently receiving services, and those who might need services in the future, may not have access to those services.

It is likely that numerous RCW, WAC, and State Plan revisions would be required if funding is not approved.

**Program(s): 060**

These caseloads are forecasted programs. If they are not funded, clients will be affected through eligibility restrictions or waiting lists.

**Program(s): 080**

Non-funding of the caseload step is likely to result in the termination of coverage for certain optional eligibility groups and/or elimination of certain optional medical assistance services. Such actions by MAA would negatively affect the health status of the impacted populations and, in some instance, contribute to the costs of uncompensated care in Washington State's health system as a whole.

***Expenditure Calculations and Assumptions:***

**Program(s): 010**

See attachment - CA M1-01 Mandatory Caseload Changes.xls

**Program(s): 030**

See attachment - MHD M1-01 Mandatory Caseload Adjustments.xls

**Program(s): 040**

See attachment - DDS M1-01 Manadatory Caseload Changes.xls

Department of Social and Health Services

**DP Code/Title: M1-01 Mandatory Caseload Changes**

**Agency Wide**

There are 6 Programs in this DP

---

Budget Period: 2001-03      Version: 32    2001-03 Agency Request 2003 Sup

---

**Program(s): 050**

See attachment - AASA M1-01 Mandatory Caseload Changes.xls

**Program(s): 060**

See attachment - ESA M1-01 Mandatory Caseload Adjustments.xls

**Program(s): 080**

The values shown in this decision package are based on the incremental change by month between the March 2002 Caseload Forecast and the June 2002 Caseload Forecast multiplied by the March 2002 forecasted per capita costs for the various MAA client populations. This calculation is summarized as:

(June 2002 Caseload minus March 2002 Caseload) X March 2002 per Capita Costs.

The described methodology applies to the client populations for which June 2002 Caseload Forecast numbers were available.

See attachment - MAA M1-2003 Mandatory Caseload Adjustments.xls

**Object Detail**

**FY 1**

**FY 2**

**Total**

**Overall Funding**

N    Grants, Benefits & Client Services

0

74,369,000

74,369,000



Department of Social and Health Services

DP Code/Title: M1-01 Mandatory Caseload Changes

Agency Wide

There are 6 Programs in this DP

Budget Period: 2001-03 Version: 32 2001-03 Agency Request 2003 Sup

**DSHS Source Code Detail**

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	24,213,000	24,213,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>24,213,000</b>	<b>24,213,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<u>Sources</u>	<u>Title</u>			
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	0	(942,000)	(942,000)
767H	Children's Health Ins Prog (CHIP)	0	(688,000)	(688,000)
<i>Total for Fund 001-2</i>		<b>0</b>	<b>(1,630,000)</b>	<b>(1,630,000)</b>
<b>Fund 001-7, General Fund - Basic Account-Private/Local</b>				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	0	(2,763,000)	(2,763,000)
<i>Total for Fund 001-7</i>		<b>0</b>	<b>(2,763,000)</b>	<b>(2,763,000)</b>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>				
<u>Sources</u>	<u>Title</u>			
563A	Title IV-D Child Support Enforcement (A) (FMAP)	0	4,982,000	4,982,000
658A	Title IV-E Foster Care (FMAP)	0	805,000	805,000
659A	Title IV-E Adoption Assistance (FMAP)	0	(352,000)	(352,000)
<i>Total for Fund 001-A</i>		<b>0</b>	<b>5,435,000</b>	<b>5,435,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	25,779,000	25,779,000
19UL	Title XIX Admin (50%)	0	249,000	249,000
<i>Total for Fund 001-C</i>		<b>0</b>	<b>26,028,000</b>	<b>26,028,000</b>
<b>Fund 001-D, General Fund - Basic Account-TANF (DSHS)</b>				
<u>Sources</u>	<u>Title</u>			
558B	Temp Assist for Needy Families (TANF) (100%)	0	24,535,000	24,535,000
<i>Total for Fund 001-D</i>		<b>0</b>	<b>24,535,000</b>	<b>24,535,000</b>
<b>Fund 760-1, Health Services Account-State</b>				
<u>Sources</u>	<u>Title</u>			
7601	Health Services Account	0	(1,449,000)	(1,449,000)
<i>Total for Fund 760-1</i>		<b>0</b>	<b>(1,449,000)</b>	<b>(1,449,000)</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>74,369,000</b>	<b>74,369,000</b>

State of Washington  
**Decision Package**  
**Department of Social and Health Services**

**FINAL**

**DP Code/Title: M1-01 Mandatory Caseload Changes**

**Agency Wide**

There are 6 Programs in this DP

Budget Period: 2001-03    Version: 32    2001-03 Agency Request 2003 Sup

**Funding Totals by Program**

Dollars in Thousands

<b><u>Program</u></b>	<b>FTE's</b>		<b>GF-State</b>		<b>Total Funds</b>	
	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
010 Children's Administration	0.0	0.0	0	4,769	0	5,902
030 Mental Health	0.0	0.0	0	1,248	0	2,501
040 Div of Developmntl Disab	0.0	0.0	0	(226)	0	(452)
050 Long Term Care Services	0.0	0.0	0	6,362	0	12,580
060 Economic Services Admin	0.0	0.0	0	11,734	0	40,720
080 Medical Assistance	0.0	0.0	0	326	0	13,118
<b>Grand Total:</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>24,213</b>	<b>0</b>	<b>74,369</b>